

FISCAL NOTE

Bill #: HB0565

Title: Prohibit leaving unattended equipment and material in construction clear zone

Primary

Sponsor: Roy Brown

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
State Special Revenue	\$1,212,000	\$1,212,000
Federal Special Revenue	1,533,000	1,533,000
Revenue:		
Federal Special Revenue	\$1,533,000	\$1,533,000
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. There will be additional contractor costs as a result of HB 565 to re-stage vehicles and equipment in work zones. The increased costs will be passed on to the Department of Transportation (DOT).
2. The bill allows use of space behind guardrails to store construction vehicles. Generally this is not usable space due to the implied extreme slope that made the guardrail necessary.
3. Contractors will have to move equipment such as pavers, rollers, bulldozers, arrow boards, scrapers, etc. completely off the highway every day. Many pieces of equipment either cannot be driven on the highway or have top speeds of less than a few miles per hour. These pieces of equipment will have to be trucked

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off of the highway each day. Contractors will be required to rent land that is adjacent to highways to store equipment. In some cases (urban environments) land will be unavailable, thereby necessitating the hauling of equipment from projects to rented or leased land daily.

4. The cost of mobilization for new construction will increase approximately 10%. Currently, contractors use this item to cover the cost of moving equipment to the job and removing it after the job is completed, among other things. Mobilization averages about 10% of the total cost of the job. The expanded DOT construction program is about \$260 million per fiscal year. Mobilization costs at 10% would be around \$26 million. Ten percent of this is figure \$2.6 million.
5. The maintenance program currently expends approximately \$14.5 million a year on contracted maintenance. It is estimated that their contracts will also increase by 1% (10% of 10%) or an increase of \$145,000.

FISCAL IMPACT:

	<u>FY2000</u> <u>Difference</u>	<u>FY2001</u> <u>Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$2,745,000	\$2,745,000
<u>Funding:</u>		
State Special Revenue (02)	\$1,212,000	\$1,212,000
Federal Special Revenue (03)	<u>1,533,000</u>	<u>1,533,000</u>
TOTAL	\$2,745,000	\$2,745,000
<u>Revenues:</u>		
Federal Special Revenue (03)	\$1,533,000	\$1,533,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	(\$1,212,000)	(\$1,212,000)

TECHNICAL NOTES:

Precluding a contractor from bidding on jobs for five years for violation of the act may not be compatible with current purchasing statutes.